



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"

Russ Guiney, Director

November 12, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PARKS AND RECREATION: APPROVAL OF
LEASE AMENDMENT NUMBER 5 TO COUNTY CONTRACT
NUMBER 43119 FOR THE OPERATION AND MAINTENANCE
OF LOS AMIGOS COUNTY GOLF COURSE
(SUPERVISORIAL DISTRICT 4) (3 VOTES)**

SUBJECT

This Board Letter requests that your Board approve and instruct the Chair to execute an amendment to the Lease Contract between the County of Los Angeles, Department of Parks and Recreation, and Los Amigos Country Club, Inc., to provide for rent modification for the County's Los Amigos Golf Course located in the City of Downey.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed action is categorically exempt from the California Environmental Quality Act.
2. Approve and instruct the Chair to sign the attached Amendment Number 5, to Lease Agreement Number 43119, with Los Amigos Country Club, Inc., for the operation and maintenance of Los Amigos County Golf Course to modify the rent.
3. Instruct the Auditor-Controller to pay Los Amigos Country Club, Inc., \$333,293 as reimbursement for water costs paid by Los Amigos Country Club, Inc., for the water usage at Los Amigos County Golf Course.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Los Amigos County Golf Course is located in the City of Downey and is operated and maintained by Los Amigos Country Club, Inc. (Lessee). The management lease agreement (Lease) was executed on November 9, 1982. Upon execution of the Lease, the County of Los Angeles (County) was responsible for paying the water usage costs.

The Lease authorized the County to install a separate water-metering system, which would require the Lessee to pay the water costs directly thereby reducing the Department of Parks and Recreation's (Department) utility budget. The County installed such a system in July 2003, and the Lessee has paid for water usage at the Los Amigos County Golf Course since.

The Lease also specifically provides that the Lessee could request a modification to the rent due equivalent to water charges paid by the Lessee, in the event the County exercised its right to install the separate water meter system. Pursuant to Section 5.01 of the Lease, the Lessee requested a modification in the rental amount due in August 2003.

The Lessee has the right to request arbitration pursuant to Section 5.01 of the Lease. The Lessee filed his request for arbitration and arbitration was scheduled to be heard in September 2008. Prior to arbitration commencing, the County and Lessee agreed to a new rental rate structure. The negotiated rent modification is retroactive to July 1, 2006; approximately three (3) years after Lessee first requested a rent modification. If approved, this Amendment eliminates the need for any further action by the County as to the arbitration.

Approving the Amendment authorizes the County to reimburse the Lessee for \$333,293 toward water usage costs paid out between July 1, 2006 and August 30, 2008, and modifies the rent rate structure reducing rent obligations to the County effective September 1, 2008. The rent percentage modification represented in the Amendment applies appropriate rent to our leased property sustaining the viability of the business entity under contract with the County.

Implementation of Strategic Plan Goals

The proposed Amendment with the Lessee will further the County's Strategic Plan Organizational Effectiveness (Goal 3) through the continued use of an experienced golf course management lessee to operate and maintain a County golf course for use by the general public. It also furthers Fiscal Responsibility (Goal 4) through the elimination of County costs associated with water usage at the Los Amigos County Golf Course.

FISCAL IMPACT/FINANCING

Pursuant to the terms of the Amendment, the County shall reimburse to the Lessee the lump sum amount of \$333,293 toward water usage costs paid by Lessee. The reimbursement represents 29 percent of the total water costs assumed by Lessee for the period of July 1, 2006 through August 30, 2008.

The proposed Amendment also modifies the current rent percentages. Based on the gross receipts reported by the Lessee and comparing the current rent percentages with the modified rent percentages, it is estimated that County's revenues will be reduced approximately \$147,000 for the current fiscal year (Attachment I).

Operating Budget Impact

Upon approval of Lease Amendment Number 5, the Department of Parks and Recreation (Department) will experience an estimated \$147,000 reduction in operating revenue; the Department will adjust its operating revenue in its Fiscal Year (FY) 2009–2010 Proposed Budget accordingly. In addition, the County will make a one-time reimbursement payment of \$333,293 to the Lessee for past water usage costs. The Department anticipated this reimbursement, and there is sufficient funding in its FY 2008–2009 Final Adopted Budget based upon Board approved Supplemental Budget Changes. The Department does not expect any additional operating costs beyond those already identified and funded.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the Lease, the County paid for water usage at Los Amigos County Golf Course until July 2003, when the County installed a separate water-metering system. Upon completion and installation of the separate water-metering system, the Lessee assumed payment responsibilities for the costs of water usage at Los Amigos County Golf Course. Upon assumption of the costs of water usage, and as provided for in the Lease, the Lessee requested a rent adjustment pursuant to the Lease.

The County completed the installation of a separate water-metering system in July 2003. The Lessee assumed responsibility of the water usage costs in August 2003. The Lessee continued paying the costs for water usage at the Los Amigos County Golf Course without a rent modification until an equitable rent modification and compensation could be negotiated.

Approval of the Amendment authorizes the County to compensate the Lessee and modify the rent rate structure.

The Lessee has executed the attached Amendment.

County Counsel has approved the Amendment as to form.

CONTRACTING PROCESS

The Contracting process does not apply since the proposed Amendment is for an existing contract approved by the Board on November 9, 1982.

IMPACT ON CURRENT SERVICES

There will be no negative impact on current County services or projects during the performance of the recommended services.

ENVIRONMENTAL DOCUMENTATION

The proposed administrative actions are not subject to California Environmental Quality Act (CEQA) in that the actions do not meet the definition of a project according to Sections 15378 (b)(4)(5) of the State CEQA Guidelines, because the actions are administrative/fiscal activities which by their terms do not involve any commitments to any specific projects which may result in a potentially significant physical impact on the environment.

CONCLUSION

It is requested that a certified copy of the action taken by the Board and a fully executed copy of the attached Amendment Number 5 be mailed to Los Amigos Country Club, Inc., Attention: Mr. Donald Duffin, 7295 Quill Drive, Downey, California 90242-2001. In addition, it is requested that one (1) conformed copy be sent to the Treasurer and Tax Collector, one (1) conformed copy be sent to the Assessor, and two (2) conformed copies be forwarded to the Department of Parks and Recreation.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Russ Guiney for". The signature is written in a cursive, flowing style.

Russ Guiney
Director

LS:RG:KEH:
JB:MG:rc

Attachment (1)

c: County Counsel
Auditor-Controller
Department of Parks and Recreation

LAGC-Amend5-BL

**LOS AMIGOS COUNTY GOLF COURSE
AMENDMENT NUMBER 5 TO LEASE NUMBER 43119
Modified Rent Percentages**

Category	Gross Receipts 2007-2008	Actual Rent Paid		Projected Rent	
		Current %	Fiscal Year 2007-2008	Modif %	Fiscal Year 2008-2009
Merchandise	\$64,533	5%	\$3,227	5%	\$3,227
Carts	\$492,712	40%	\$197,085	20%	\$98,542
Driving Range	\$79,769	25%	\$19,942	20%	\$15,954
Green Fees	\$1,437,440	30%	\$431,232	28%	\$402,483
Food and Beverage	\$217,064	7%	\$15,194	5%	\$10,853
Liquor	\$161,956	9%	\$14,576	7%	\$11,337
Banquet	\$368,848	7%	\$25,819	5%	\$18,442
Equip. Rental	\$22,623	10%	\$2,262	5%	\$1,131
Other	\$4,725	5%	\$236	5%	\$236
Junior Golf	\$2,235	100%	\$2,235	100%	\$2,235
TOTAL	\$2,851,905		\$711,809		\$564,441
ESTIMATED RENT MODIFICATION FOR FY 2008-2009					\$147,368

**AMENDMENT NUMBER 5 TO LEASE AGREEMENT NUMBER 43119
FOR THE OPERATION AND MAINTENANCE OF
LOS AMIGOS COUNTY GOLF COURSE**

This Amendment to Lease Agreement No. 43119 (hereinafter: "Amendment") made and entered into this _____ day of _____ 2008,

By and between the

COUNTY OF LOS ANGELES,

a body corporate and politic, hereinafter referred to as "Lessor", on the one hand, and

and

LOS AMIGOS COUNTRY CLUB, INC.,

a California corporation, hereinafter referred to as the "Lessee";

and

DONALD A. DUFFIN

Guarantor, hereinafter referred to as "Guarantor", on the other hand,

WITNESSETH

WHEREAS, Lessor and Lessee have entered into County Lease Agreement Number 43119, as amended, (hereinafter: the "Lease") on November 9, 1982, for the operation and maintenance of Los Amigos County Golf Course;

WHEREAS, Donald A. Duffin is the guarantor of the Lease; and

WHEREAS, Lessee and Guarantor submitted a demand for arbitration entitled *Los Amigos Country Club, Inc. and Donald A. Duffin vs. County Of Los Angeles*, American Arbitration Association, Case no. 72 115 00687 04 AMCH (hereinafter: "Action"); and

WHEREAS, as used hereinafter in this Amendment, the term "Duffin" shall mean, both jointly and severally, Guarantor and his former, present and future heirs, legatees, devisees, executors, administrators, spouses, children, relations, employees, servants, representatives, principals, agents, assigns, insurers and

attorneys and all persons or entities acting by, through, under or in concert with any of the foregoing; and

WHEREAS, as used hereinafter in this Amendment, the term “LACC” shall mean, both jointly and severally, Lessee and its former, present and future directors, officers, shareholders, general partners, limited partners, employees, servants, representatives, agents, assigns, attorneys, predecessors, successors, subsidiaries, divisions, subdivisions, affiliates, parents, and all persons or entities acting by, through, under or in concert with any of the foregoing; and

WHEREAS, as used hereinafter in this Amendment, the term “County Parties” shall mean, both jointly and severally, Lessor and its former, present and future supervisors, officers, employees, servants, representatives, agents, assigns, attorneys, and all persons or entities acting by, through, under or in concert with any of the foregoing; and

WHEREAS, as used hereinafter in this Amendment, the term Los Amigos Golf Course means that golf course owned by Lessor and leased pursuant to the Lease.

NOW, THEREFORE, in full and complete settlement and compromise of the Action between them, Lessor, on the one hand, and Lessee and Guarantor, on the other hand, agree as follows:

1.0 RENT ADJUSTMENTS

The parties agree to the rent adjustments with respect to the Los Amigos Golf Course as set forth in Exhibit “A” attached hereto and incorporated herein by this reference.

2.0 LESSEE’S AND GUARANTOR’S RELEASE

Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, individually and collectively (hereinafter “LACC Releasing Parties”), jointly and severally forever release and discharge the County Parties, and further agree to hold the County Parties harmless and defend and indemnify the County Parties from and against any and all rights, claims, demands, damages, debts, liabilities, accounts, reckonings, liens, attorney's fees, costs, expenses, actions, claims for relief and causes of action of every kind and nature whatsoever, whether by

statute or in contract, tort, at law or in equity, or otherwise, now known or unknown, suspected or unsuspected, whether intentional, negligent or otherwise, which the LACC Releasing Parties have or claim to have against the County Parties, from the beginning of time until the date of this Amendment, which are based in whole or in part on, or which do or may arise out of, or are or may be related to or in any way connected with:

- (a) the Action;
- (b) the claims, allegations and demands in the Action, including, but not limited to, any claim for any rent or percentage rent reduction due to payment of any water bills related to the Los Amigos Golf Course as alleged in the Action; and
- (c) any claim by the LACC Releasing Parties that the County Parties owe any of the LACC Releasing Parties any sum or sums for their payment of any water bills related to the Los Amigos Golf Course.

This Amendment and release are not intended to release, and do not include a release of, any claims the LACC Releasing Parties have or have made and/or may now or hereafter have or make against the County Parties arising from or related in any manner to any use or request for use of Capital Improvement Funds for work to be performed at the Los Amigos Golf Course and the Lessor's response or alleged lack of response thereto.

3.0 LESSEE'S AND GUARANTOR'S COMPROMISE AND SETTLEMENT

Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, further compromise and settle the matters released in Section 2, above, to the exclusion of any Capital Improvement Funds issues, and agree that this compromise and settlement shall constitute a bar to the assertion of any such matter. Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, covenant and agree never to commence, assist in any way, prosecute or cause, permit, or advise to be commenced or prosecuted against the County Parties any action, proceeding or defense based in whole or in part upon any of the matters released in Section 2, above.

4.0 LESSEE'S AND GUARANTOR'S REPRESENTATIONS AND WARRANTIES

- 4.1** Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, represent and warrant to the County Parties that neither has assigned or transferred, or purported to assign or transfer, to any person, firm, partnership, corporation or entity whatsoever, any rights, claims, demands, damages, debts, liabilities, accounts, reckonings, liens, attorney's fees, costs, expenses, actions and causes of action released, compromised and settled in Section 2 of this Amendment. Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, specifically represent and warrant that there are no liens applicable to the claims in the Action. Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, agree to indemnify, defend and hold harmless the County Parties from and against any claim in any way arising from, connected with or related to any such assignment or transfer or purported assignment or transfer.
- 4.2.** Lessee and Guarantor, on their own behalf and on behalf of Duffin and LACC, represent and warrant that they are the parties which have all of the interest in any of the released, compromised and settled matters referenced in Section 2 of this Amendment, and that each has the full right, power and specific authority to enter into, execute and consummate this Amendment.

5.0 LESSOR'S RELEASE

Lessor, on its own behalf and on behalf of the County Parties, forever releases and discharges Duffin and LACC, and further agrees to hold Duffin and LACC harmless and defend and indemnify Duffin and LACC from and against any and all rights, claims, demands, damages, debts, liabilities, accounts, reckonings, liens, attorney's fees, costs, expenses, actions, claims for relief and causes of action of every kind and nature whatsoever, whether by statute or in contract, tort, at law or in equity, or otherwise, now known or unknown, suspected or unsuspected, whether intentional, negligent or otherwise, which Lessor and/or the County Parties have or claim to have against Duffin and LACC, from the

beginning of time until the date of this Amendment, which are based in whole or in part on, or which do or may arise out of, or are or may be related to or in any way connected with:

- (a) the Action;
- (b) the cross-claim of the Lessor in the Action;
- (c) any claim for any increase in rent or percentage rent made by Lessor and/or the County Parties, or which Lessor and/or the County Parties may hereafter have or make against Duffin and/or LACC ; and
- (d) any claim by Lessor and/or the County Parties that Duffin and/or LACC owe any past due sum or sums for the cost of water or any water bills related to the Los Amigos Golf Course prior to the date of this Amendment.

This Amendment and release are not intended to and do not include a release of any claims Lessor and/or the County Parties had or may now or hereafter have or make against Duffin and/or LACC arising from or related in any manner to the use, or request for the use, of Capital Improvement Funds for work to be performed at the Los Amigos Golf Course.

6.0 LESSOR'S COMPROMISE AND SETTLEMENT

Lessor, on its own behalf and on behalf of the County Parties, further compromises and settles the matters released in Section 5, above, and agrees that this compromise and settlement shall constitute a bar to the assertion of any such matter. Lessor, on its own behalf and on behalf of the County Parties, covenants and agrees never to commence, assist in any way, prosecute or cause, permit, or advise to be commenced or prosecuted against Duffin and LACC any action, proceeding or defense based in whole or in part upon any of the matters released in Section 5, above.

7.0 LESSOR'S REPRESENTATIONS AND WARRANTIES

7.1 Lessor, on its own behalf and on behalf of the County Parties, represents and warrants to Duffin and LACC that Lessor has not assigned or transferred, or purported to assign or transfer, to any person, firm, partnership, corporation or entity whatsoever, any rights, claims, demands, damages, debts, liabilities, accounts, reckonings, liens,

attorney's fees, costs, expenses, actions and causes of action released, compromised and settled in Section 5 of this Amendment. Lessor, on its own behalf and on behalf of the County Parties, specifically represents and warrants that there are no liens applicable to the claims in the Action. Lessor, on its own behalf and on behalf of the County Parties, agrees to indemnify, defend and hold harmless Duffin and LACC from and against any claim in any way arising from, connected with or related to any such assignment or transfer or purported assignment or transfer.

- 7.2** Lessor, on its own behalf and on behalf of the County Parties, represents and warrants that Lessor is the party which has all of the interest in any of the released, compromised and settled matters referenced in Section 5 of this Amendment, and that it has the full right, power and specific authority to enter into, execute and consummate this Amendment.

8.0 CIVIL CODE SECTION 1542 WAIVER

There is a risk that subsequent to the execution of this Amendment, the parties hereto will discover, incur or suffer loss, damages or injuries which are in some way related to the matters released but which are unknown or unanticipated at the time that this Amendment is executed. The parties hereto hereby assume this risk and understand that this Amendment shall apply to all unknown or unanticipated results of, or related to, the matters released above, as well as those known and anticipated. The parties hereby expressly acknowledge that they are familiar with Section 1542 of the California Civil Code which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The parties understand and acknowledge the significance and consequence of this specific waiver of Section 1542. Having been advised and encouraged to consult with an attorney of their choice concerning their rights and this

Amendment and having either thoroughly discussed all aspects of their rights and this Amendment with an attorney to the full extent that they wanted prior to signing this Amendment or voluntarily chosen not to do so, the parties herein expressly waive and relinquish any and all rights and benefits which they may have under Section 1542 of the Civil Code (to the extent it is otherwise applicable) to the full extent that such rights and benefits may be lawfully waived and relinquished pertaining to the subject matter of this Amendment.

9.0 DISMISSAL OF ACTION

Upon execution of this Amendment and approval by Lessor's Board of Supervisors, Lessee and Guarantor shall forthwith provide to Lessor an executed request to dismiss the entirety of the Action *with prejudice* in the form and substance of Exhibit "B" attached hereto and incorporated herein by this reference, which shall include a dismissal of any cross-claim of Lessor filed in the Action. Such request for dismissal shall be provided to Lessor's legal counsel, Stephen P. Wiman, Esq., Nossaman LLP, 445 South Figueroa Street, 31st Floor, Los Angeles, California 90071. Counsel for Lessor shall execute the request on its behalf. Upon receipt of the dismissal, Lessor's legal counsel may proceed to obtain a dismissal with prejudice of the Action. The parties shall do everything that is necessary, including the execution of any other documents, which may be required to effect a dismissal with prejudice of the Action. The parties agree that they shall be responsible for their own respective attorney's fees and costs with respect to the Action and for the preparation and review of this Amendment.

10.0 DISPUTED CLAIMS

In entering into this Amendment, or otherwise acting hereunder, no party admits the claims or defenses of the other which are released herein. Each party disputes such claims and defenses. This Amendment is in compromise of the disputed claims between the parties and shall never be treated as an admission of liability by any party, court, arbitrator(s), mediator(s), or dispute resolution panel.

11.0 EFFECT OF AMENDMENT

This Amendment shall inure to the benefit of the County Parties, Duffin, and LACC.

12.0 CONSTRUCTION OF AMENDMENT

This Amendment shall not be construed against the party preparing the same, and shall be construed without regard to the identity of the person who drafted such and shall be construed as if all parties had jointly prepared this Amendment and it shall be deemed their joint work product, and each and every provision of this Amendment shall be construed as though all of the parties hereto participated equally in the drafting hereof; and any uncertainty or ambiguity shall not be interpreted against any one party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

13.0 ADVICE OF COUNSEL AND VOLUNTARY EXECUTION

Each party has freely and voluntarily read and executed this Amendment. Each party has been advised to consult with his or its attorney prior to executing this Amendment. Each party has done so. The parties have had this Amendment, its meaning, effect, significance and consequences fully explained to them by their attorneys of choice and acknowledge that they fully understand the meaning, effect, significance and consequences thereof.

14.0 PERFORMANCE OF ADDITIONAL ACTS

The parties to this Amendment agree that they shall execute and deliver any and all documents and perform any and all acts required on their part or those which may be reasonably necessary to effectuate and complete and facilitate the provisions of this Amendment.

15.0 MODIFICATION IN WRITING

This Amendment may be modified only by written agreement of all parties affected by such modification.

16.0 EXECUTION IN COUNTERPARTS

This Amendment may be executed in any number of counterparts and by different parties in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument. Photocopied signatures, signatures exchanged by facsimile machine and signatures exchanged by e-mail PDF files shall be as effective as an original signature.

17.0 GOVERNING LAW

This Amendment is made and entered into in the State of California and shall in all respects be construed, interpreted, enforced and governed under and by the laws of the State of California, excluding its choice of law rules.

18.0 ATTORNEY'S FEES

In the event of any action or proceeding brought by any party against another under this Amendment, the prevailing party shall be entitled to recover the fees of its attorneys, if any, and costs in such amount as the court may adjudge reasonable.

19.0 ENFORCEMENT OF AMENDMENT

Nothing contained herein, including, but not limited to, provisions relating to releases or waiver of provisions of Section 1542 of the Civil Code, is intended to, or shall, affect or limit any party's right to enforce any provision of this Amendment. This Amendment and its terms shall survive the dismissal of the Action.

20.0 INTEGRATED AGREEMENT

This Amendment and the exhibits hereto, contain the entire understanding and agreement between the parties hereto with respect to the matters referred to in it. No other representations, covenants, undertakings, or prior or contemporaneous agreements, oral or written, regarding such matters which are not specifically contained and/or incorporated into this Amendment by reference, shall be deemed, in any way to exist or bind any of the parties. Each party acknowledges

that it has not been induced to enter into the Amendment and has not executed the Amendment in reliance upon any promises, representations, warranties or statements not incorporated by reference into the Amendment. **THE PARTIES ACKNOWLEDGE THAT THIS AMENDMENT IS INTENDED TO BE, AND IS, AN INTEGRATED AGREEMENT.**

21.0 WAIVER

A failure of any party to this Amendment to enforce the Amendment upon a breach or default shall not waive any other breach or default. All waivers shall be in writing.

22.0 BOARD OF SUPERVISORS APPROVAL

This Amendment shall be conditioned upon and effective only upon the formal approval of the Board of Supervisors of Lessor.

23.0 TRANSFER OF WATER BILLS

Upon execution of this Amendment by all parties and approval by Lessor's Board of Supervisors, Lessor shall promptly notify the Central Basin Municipal Water District that Lessee is paying for the water used by the Los Amigos Golf Course (known to the Water District as Rancho Los Amigos Golf Course) and all monthly bills or invoices related to water consumption by the Los Amigos Golf Course are to be sent directly to Lessee, as the customer, at 7295 Quill Drive, Downey, California 90242-2001, commencing the month of October, 2008, for direct payment to be made to the Water District by Lessee.

24.0 RATIFICATION

All other terms, conditions, covenants, and promises of the Lease not affected by the provisions of this Amendment shall remain in full force and effect and are hereby reaffirmed.

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IN WITNESS WHEREOF, the parties have executed this Amendment No. 5 to Lease Agreement Number 43119, effective as of the date first above written.

LESSEE

Los Amigos Country Club, Inc.

By: Donald A. Duffin President
DONALD A. DUFFIN, President

Donald A. Duffin
DONALD A. DUFFIN, Guarantor

COUNTY OF LOS ANGELES

By: _____
Yvonne B. Burke
Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors
for the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.

County Counsel

By Christina A. Salseda
Christina A. Salseda, Senior Deputy

Attorneys for DONALD A. DUFFIN and
LOS AMIGOS COUNTRY CLUB, INC.

HINES SMITH CARDER LEASURE, LLP
MARC S. HINES
NICOLE M. HAMPTON

By _____

EXHIBIT “A”

RENT ADJUSTMENT

EXHIBIT "A"

RENT ADJUSTMENT

(1) The percentages of gross receipts to be paid by Lessee under the Lease for the following categories of income will be reduced retroactive to July 1, 2006, and binding prospectively through the end of the lease term, without further adjustment, as set forth below:

<u>Income Category</u>	<u>Amended Percentage</u>
Merchandise	5%
Food and Beverage	5%
Banquet	5%
Liquor	7%
Driving Range	20%
Golf Carts	20%
Green Fees	28%
Fees For Junior Golf	100%
Equipment Rentals	5%
Other	5%

(2) Lessor will pay to Lessee the sum of \$333,293.14, reflecting retroactive application, for the period of July 1, 2006, through and including, August 30, 2008, of the above stated percentage rents to rents Lessee previously paid, in a lump sum payment by check made payable to Hines Smith Carder Leasure, LLP attorney client trust, as counsel for Lessee, and forwarded to Hines Smith Carder Leasure, LLP within 30 days of the later of (1) full execution by the parties of this Amendment, and (2) Board of Supervisors approval of this Amendment.

EXHIBIT “B”

REQUEST FOR DISMISSAL

EXHIBIT B

NOSSAMAN LLP
STEPHEN P. WIMAN (SBN 54825)
445 S. Figueroa Street, 31st Floor
Los Angeles, California 90071-1602
Telephone: (213) 612-7800
Facsimile: (213) 612-7801

Attorneys for Responding Party
LOS ANGELES COUNTY DEPARTMENT
OF PARKS AND RECREATION

AMERICAN ARBITRATION ASSOCIATION

LOS AMIGOS COUNTRY CLUB, INC., a
California Corporation, and DONALD A.
DUFFIN

Initiating Parties,

vs.

COUNTY OF LOS ANGELES,

Responding Party.

) Case No: 72 115 00687 04 AMCH
) Arbitrator: Frederick N. Bailard

) **STIPULATION OF DISMISSAL OF**
) **ARBITRATION AND ORDER THEREON**

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EXHIBIT B

The parties have resolved and settled this matter, therefore,

IT IS HEREBY STIPULATED, by and between DONALD A. DUFFIN and LOS AMIGOS COUNTRY CLUB, INC. and the COUNTY OF LOS ANGELES by and through their respective legal counsel as follows:

This Arbitration, identified as American Arbitration Association, Case No. 72 115 00687 04 AMCH (Frederick Bailard, Arbitrator) , shall forthwith be dismissed with prejudice in its entirety, including, but not limited to, the Demand, dated June 23, 2004 and the cross claim, dated January 25, 2005. The parties shall each be responsible for his or its own respective attorney's fees and costs incurred in connection with the arbitration.

Dated: _____, 2008

NOSSAMAN LLP
STEPHEN P. WIMAN

By: _____
STEPHEN P. WIMAN

Attorneys for LOS ANGELES COUNTY DEPARTMENT
OF PARKS AND RECREATION

Dated: _____, 2008

HINES SMITH CARDER LEASURE, LLP
MARC S. HINES
NICHOLE M. HAMPTON

By: _____

Attorneys for DONALD A. DUFFIN and LOS AMIGOS
COUNTRY CLUB.

EXHIBIT B

ORDER

The Arbitrator has read the stipulation of the parties and good cause appearing therefor,

IT IS HEREBY ORDERED that this Arbitration, identified as American Arbitration Association, Case No. 72 115 00687 04 AMCH , is hereby dismissed with prejudice in its entirety, including, but not limited to, the Demand, dated June 23, 2004 and the cross claim, dated January 25, 2005. The parties shall each be responsible for his or its own respective attorney's fees and costs incurred in connection with the arbitration.

Dated: _____, 2008

ARBITRATOR

FREDERICK BAILARD